

Interim Report Q4 2021

Self Storage Group ASA



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Highlights

We continued the strong and positive development for the company in the fourth quarter with solid organic revenue- and EBITDA-growth, development of new facilities and acquisition of new properties. Q4 2021's highlights include the opening of two large greenfield projects in Oslo, and an expansion of 6 500 m² current lettable area (CLA). Demand is strong and occupancy has exceeded target level, despite winter-season. Our freehold investment property value exceeded NOK 2.4 billion at the end of the quarter, giving a loan to value ratio for the Group of 39%. The company has a strong pipeline and a solid foundation for further profitable growth and expansion in the Nordics.

Q4 2021

- Revenues of NOK 90.6 million, up 19% from NOK 75.9 million in Q4 2020
- EBITDA of NOK 48.6 million, up 9% from NOK 44.5 million in Q4 2020
- Change in fair value of freehold investment property of NOK 302.5 million (NOK 83.4 million)
- Profit before tax of NOK 330.1 million, up from NOK 93.9 million in Q4 2020
- Average occupancy for sites with more than 12 months of operation of 90.2% (85.6%) in Q4 2021 with an average rent per m² of NOK 2 269 per year (NOK 2 319)
- Acquisition of two properties in Norway

Full year 2021

- All time high revenues of NOK 346.1 million, up 18% from NOK 293.3 million in 2020
- All time high EBITDA of NOK 202.9 million, up 16% from NOK 175.4 million in 2020
- All time high profit before tax of NOK 440.6 million, up from NOK 145.8 million in 2020
- Total value of freehold investment property of NOK 2 422 million as of December 2021, up from NOK 1 457 million end of December 2020
- Loan to value of freehold investment property is 39% as of end December 2021, compared to 46 % as of end December 2020

Key Figures¹

(Amounts in NOK million)	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Revenue	90.6	75.9	346.1	293.3
Lease expenses	- 3.9	- 2.1	- 13.3	- 9.4
Total other operating expenses	- 38.2	- 29.4	- 129.9	- 108.5
Total adjustments	-	0.3	3.4	1.7
Adjusted EBITDA	48.6	44.7	206.3	177.1
Adjusted EBIT	43.8	41.0	189.5	162.7
Change in fair value of freehold investment property	302.5	83.4	320.0	92.9
Change in fair value of leasehold investment property	- 12.1	- 15.5	- 46.4	- 63.0
Net finance	- 4.1	- 14.7	- 19.1	- 45.1
Adjusted Profit before tax	330.1	94.2	444.0	147.5
Adjusted Net Profit	261.3	70.8	351.3	114.3
Current lettable area (in thousands m ²)	171.8	148.2	171.8	148.2
Lettable area under development (in thousands m ²)	34.9	30.4	34.9	30.4
Number of facilities	128	116	128	116

¹Non-GAAP measures are defined on page 33

Financial development

Self Storage Group experiences strong demand, and occupancy has been exceeding target level of 90% in the fourth quarter of 2021. Current lettable area has increased by 23 600 m² during 2021 and consists of 14 200 m² from organic growth and 9 400 m² from the acquisition of Dit Pulterkammer (DPK) which was closed on 14 April 2021. This is beyond the forecast of opening between 12 000 and 14 000 m² organically during the year, with a significant part in the fourth quarter following the opening of two large greenfield projects. Due to the growth in lettable area and SSG's expansion plans, filling up capacity has been prioritized over increasing prices in 2021, but prices will be CPI-adjusted in Q1 2022.

The value of the freehold portfolio increased by NOK 965.8 million during 2021 to a total of NOK 2 422 million. The increase from business combinations, acquisitions and expansions amounts to NOK 648.9 million, and the increase from change in fair value amounts to NOK 320.0 million. All freehold investments properties were appraised in the fourth quarter following the annual CPI-adjustment of internal leases.

With the increasing size of the Group and freehold investment portfolio the Group has focus on planned maintenance, branding and organizational development to level up the scalable platform for future growth.

Self Storage Group has experienced limited business impact due to COVID-19 as of December 2021. All self-storage facilities have been open as usual for both existing and new customers during the COVID-19 pandemic. Our self-serviced and digitalised offering is by nature a safe and flexible solution for our customers.

Revenue

Revenue for Q4 2021 was NOK 90.6 million, an increase of NOK 14.7 million from Q4 2020.

Rental income from self-storage services was NOK 83.9 million in Q4 2021, an increase of NOK 13.1 million from Q4 2020. NOK 8.3 million of the increase is related to growth in lettable area through opening of new facilities and expansions, and growth in occupancy across both concepts and all three countries. The remaining part of the increase (NOK 4.7 million) is related to new self-storage revenue from DPK, which is consolidated with SSG from 14 April 2021. DPK is reported as part of the CSS-segment. Increased self-storage revenue from the CSS-segment amounts to NOK 9.7 million while increased self-storage revenue from the OKM-segment amounts to NOK 3.3 million compared to Q4 2020. Income from rental of containers amounts to approximately 9.0% of the Group's self-storage revenue. Average occupancy in Q4 2021 for sites with more than 12 months of operating history was 90.2% (85.6%) with an average rent per m² of NOK 2 269 per year (NOK 2 319).

Other revenue was NOK 6.8 million in Q4 2021, an increase of NOK 1.6 million compared with Q4 2020. NOK 0.7 million of the increase in other revenue is related to DPK. Other revenue consists of revenue from distribution of insurance, ancillary services, rental income from segments other than self-storage and other income. The income from office tenants fluctuates due to contracts expiring and office-space being converted to self-storage.

The Danish and Swedish Krone have weakened against Q4 2020, and there is a negative foreign exchange effect attributable to the revenue in SEK and DKK of NOK 1.8 million when comparing Q4 2021 and Q4 2020.

Revenue for full year 2021 was NOK 346.1 million, an increase of NOK 52.7 million from full year 2020. Rental income from self-storage services increased with NOK 47.8 million, including NOK 15.8 million in self-storage

revenue from DPK for the period 14 April 2021 to 31 December 2021. Other revenue increased with NOK 5.0 million in the period, including NOK 2.0 million from DPK.

Lease expenses

According to IFRS 16 long-term leasehold agreements are treated as financial leases. Lease expenses thus only consist of leasehold-contracts classified as short-term. Lease expenses were NOK 3.9 million in Q4 2021, up from NOK 2.1 million in Q4 2020. The increase is mainly related to three long-term lease contracts now classified as short-term. In Q1 and Q2 2021 this was offset by a short-term contract negotiated to long-term. Lease expenses are impacted if long-term contracts expire and are renegotiated to short-term contracts, if new short-term contracts are signed, or if short-term contracts are renegotiated to long-term contracts. Lease expenses were NOK 13.3 million for full year 2021, up from NOK 9.4 million in 2020. Average remaining lease period for leased facilities in the CSS-segment, including options, is 7.6 years. For OK Minilager, which has a number of short revolving contracts, the average remaining term is 2.0 years.

At the end of December 2021, 53% of the current lettable area in SSG is held freehold, compared to 43% at the end of December 2020. 44% of current lettable area in the City Self-Storage segment is freehold, while 68% of current lettable area in OK Minilager is freehold. The share of freehold property is increasing in both segments.

Property-related expenses

Property-related expenses consist of maintenance, electricity, cleaning, security, insurance, property tax and other operating costs related to the facilities. All maintenance is recorded as operational cost and is not capitalized.

Property-related expenses in Q4 2021 were NOK 14.7 million, an increase of NOK 4.0 million compared to Q4 2020. NOK 3.1 million is related to increased costs to electricity and heating, following extreme price-development in the power market. The remaining part of the increase is related to newly acquired properties, including DPK.

Property-related expenses for full year 2021 were NOK 44.4 million, an increase of NOK 8.3 million compared to full year 2020. NOK 2.2 million of the increase in cost is related to new costs from DPK. The remaining part of the increase is mainly related to higher electricity costs in the winter-months than last year and the extreme power prices, and increased number of facilities in the portfolio.

Lettable area in SSG increased by 23 600 m² (15.9%) since December 2020, and the number of facilities increased by 12 to 128 facilities as of the end of December 2021.

Salary and other employee benefits

Salary and other employee benefits in Q4 2021 were NOK 12.6 million, an increase of NOK 2.3 million from Q4 2020. NOK 0.7 million of the increase is related to new costs from DPK acquired in April 2021. Salary and other employee benefits for full year 2021 were NOK 44.1 million, an increase of NOK 3.9 million from full year 2020. New costs related to salary and other employee benefits in DPK constitute NOK 2.5 million.

The number of full-time equivalents (FTE) at the end of December 2021 was 65.4 FTE, an increase of 7.9 FTEs since the end of december 2020, including 4.5 FTEs following the acquisition of DPK. The management team

has been strengthened with two new positions as CTO and CMO. In addition, a new project manager and caretaker has been added to the property-team.

There were no non-recurring costs related to salary and other employee benefits in full year 2021, but in full year 2020 there were non-recurring costs related to restructuring of NOK 0.5 million. Internal project management costs related to the development projects are capitalized.

Depreciation

Depreciation in Q4 2021 was NOK 4.7 million, an increase of NOK 1.0 million from Q4 2020. Depreciation for full year 2021 was NOK 16.9 million, an increase of NOK 2.4 million from full year 2020. Depreciation related to DPK for the period 14 April 2021 to 31 December 2021 constitutes NOK 0.5 million of the increase. The depreciation is mainly related to fitout and other equipment for new facilities and expansions. Maintenance is posted as property-related expenses.

Other operating expenses

Other operating expenses consist of IT, sales and advertising, and other administrative expenses.

In Q4 2021 other operating expenses amounted to NOK 11.0 million, an increase of NOK 2.5 million from Q4 2020. There were no costs defined as non-recurring costs in Q4 2021, but there was NOK 0.3 million in non-recurring costs in Q4 2020. NOK 0.8 million is new costs from DPK. The increase is related to costs that follow the development of the Group and costs associated with newly acquired properties as valuations and insurance. In the fourth quarter an annual value assessment of all freehold properties is performed.

Since the summer of 2021, several branding projects for our two brands have been launched. Sales and marketing costs constitute 3.8% (4.1%) of the revenue in Q4 2021. The increase is mainly driven by increased ad spending on online search engines.

For full year 2021 other operating expenses amounted to NOK 41.4 million, an increase of NOK 9.2 million from full year 2020. There were non-recurring costs of NOK 3.9 million in 2021 impacting other operating expenses, compared to NOK 1.2 million in non-recurring costs in 2020. Adjusted for non-recurring acquisition costs, other operating expenses in full year 2021 increased by NOK 6.5 million compared with full year 2020. NOK 2.1 million is new costs from DPK.

The level of other operating expenses has been stable over many years despite the growth of the company, and is expected to remain quite stable going forward when adjusting for costs related to acquisitions. Sales and advertising will, however, increase as revenue increases, since sales costs are related to online advertising and there are some costs related to being a listed company that will increase in order to be compliant and to ensure a sustainable growth.

Adjustments

Identified items not likely to occur in the normal course of business in Self Storage Group are defined as non-recurring revenue or non-recurring costs. The exclusion of non-recurring items is useful to Self Storage Group as it provides a measure for assessing underlying operating performance.

(NOK 1 000)	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Adjustments				
Revenue: release of historical liability	-	-	507	-
Other operating expenses: acquisition costs	-	- 254	-3 923	-1 177
Salary and other employee benefits: severance packages	-	-	-	- 538
Total adjustments	-	- 254	-3 416	-1 715

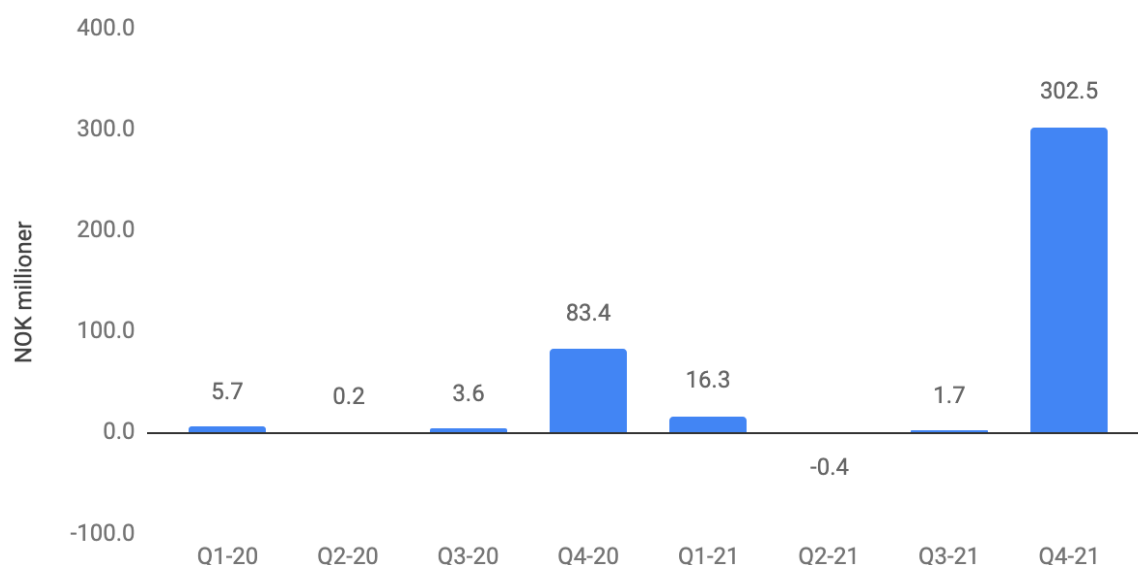
Change in fair value of investment property

The fair value of freehold investment property is based on independent valuations by an external appraiser, with intra group lease contracts at market terms as a basic principle. Annual CPI-adjustment of the leases, changes in areas with lease-agreements and changes in yield impact the fair value.

In Q4 2021 the change in fair value of freehold investment property recognised in P&L was NOK 302.5 million, compared to the change in fair value in Q4 2020 of NOK 83.4 million. In addition to the impact of the annual CPI-adjustment of internal leases, the increase is related to yield compression in the market and development properties completed in 2021. Change in fair value for the full year 2021 was NOK 320.0 million compared to NOK 93.0 million in the full year 2020.

In the last part of 2021, there has been a yield compression in the logistics and retail big box property segment, particularly in the central Oslo area. 52% of the freehold investment property value is in the Oslo and earlier Akershus area. The total average yield in the Group is reduced from 5.5% as of 31 December 2020 to 4.9% 31 December 2021 impacting the fair value adjustment in Q4 2021.

The diagram below shows the change in fair value recognised in P&L since Q1 2020.

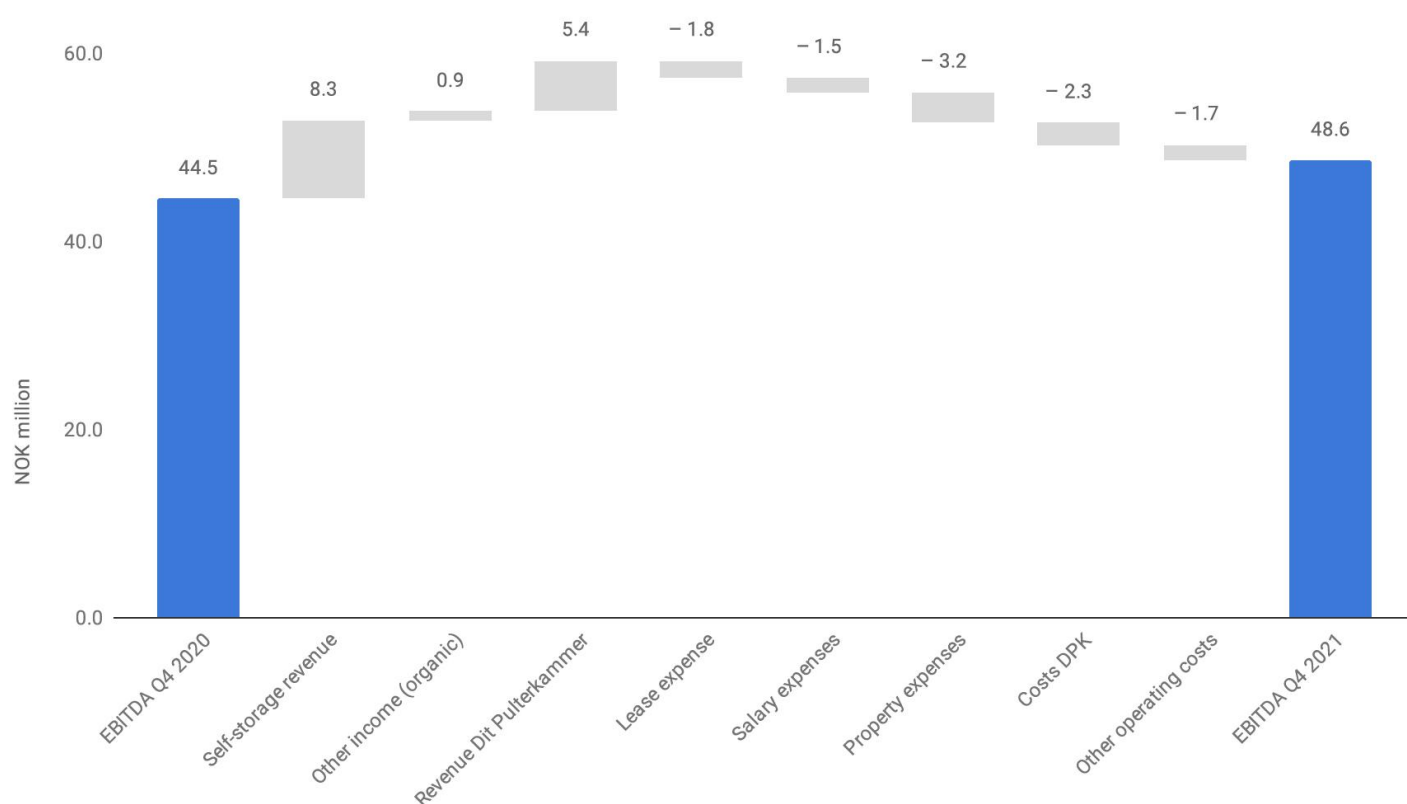


Change in fair value of leasehold investment property relates mainly to passage of time of recognised leases under IFRS 16. Change in fair value of leasehold investment property recognised in the P&L in Q4 2021 was NOK -12.1 million, compared to NOK -15.5 million in Q4 2020. The decrease relates mainly to the two prior lease contracts in Adamstuen and Hvidovre, which now are accounted for as freehold investment properties, and changes in the length of some lease contracts that affect the classification of lease as short-term or long-term. Change in fair value of leasehold investment property recognised in the P&L for full year 2021 was NOK -46.4 million, compared to NOK -63.0 million for full year 2020. Change in fair value of leasehold investment property recognised in the P&L will change if long-term contracts expire and are renegotiated to short-term contracts, or if short-term contracts are renegotiated to long-term contracts.

Fair value of freehold investment property was NOK 2 422 million and the fair value of leasehold investment property was NOK 444.3 million at 31 December 2021. Fair value of freehold investment property at 31 December 2020 was NOK 1 457 million, while the fair value of leasehold investment property was NOK 515.2 million.

EBITDA and profit before tax

EBITDA in Q4 2021 was NOK 48.6 million, an increase of NOK 4.1 million since Q4 2020. NOK 3.1 million of the increase in EBITDA is attributable to new net revenue and cost from DPK. There were no costs defined as non-recurring costs in Q4 2021 but there was NOK 0.3 million in non-recurring costs in Q4 2020. There is a negative foreign exchange effect attributable to rental income in SEK and DKK of NOK 1.8 million when comparing Q4 2021 and Q4 2020, offset by a positive foreign exchange effect on expenses of NOK 1.5 million. The financial development in Q4 2021 had an EBITDA-growth of 9% compared with Q4 2020. EBITDA for Q4 2021 vs Q4 2020 is visualized below.



EBITDA for full year 2021 was NOK 202.9 million, an increase of NOK 27.5 million compared to full year 2020. NOK 9.0 million of the increase in EBITDA is attributable to DPK. There were non-recurring items of NOK 3.4 million in full year 2021, compared to NOK 1.7 million in full year 2020.

Net finance amounted to NOK -4.1 million in Q4 2021, compared to NOK -14.7 million in Q4 2020. The change consists of increased financial income of NOK 8.3 million, and decreased financial costs of NOK 2.3 million. The effects on net finance are interest expenses on borrowings, interest expenses on lease liabilities, other financial expenses, unrealised gain and loss in foreign currency and positive and negative change in fair value of financial instruments. Detailed development on net finance is disclosed in note 10.

The increase in financial income in Q4 2021 compared to Q4 2020 is mainly related to a positive change in fair value of financial instruments and unrealised gain in foreign currency. The decrease in financial expenses in Q4 2021 compared to Q4 2020 is mainly related to reduced unrealised loss in foreign currency, partly offset by increased interest expense on borrowings.

Net finance amounted to NOK -19.1 million for full year 2021, compared to NOK -45.1 million for full year 2020. The change is related to increased financial income of NOK 33.7 million offset by decreased financial costs of NOK 7.7 million. Interest expense on borrowings for full year 2021 was NOK 21.5 million, compared to NOK 8.9 million for full year 2020. The increased expense on borrowings is related to increased loans and costs to the interest rate swaps.

Profit before tax in Q4 2021 was NOK 330.1 million, an increase of NOK 236.2 million from Q4 2020. Profit before tax for full year 2021 was NOK 440.6 million, an increase of NOK 294.8 million from full year 2020.

Statement of financial position

Total assets were NOK 3 491 million as of 31 December 2021, compared to NOK 2 582 million at 31 December 2020, an increase of NOK 909.0 million. Freehold investment property increased with NOK 965.8 million from 31 December 2020 to NOK 2 422 million as of 31 December 2021. The increase is mainly related to the acquisition of nine properties in Norway, fair value adjustments and the acquisition of DPK with five freehold self-storage facilities in Denmark. One of the acquired properties was acquired by executing the option from the Eurobox transaction in 2020 to acquire a neighboring building at Billingstad. The remaining increase in freehold investment property is related to investments in several development and conversion projects and exchange differences. Leasehold investment property was NOK 444.3 million at 31 December 2021, a decrease of NOK 71.0 million from 31 December 2020. The decrease is mainly related to the acquisition of a property where the Group had an existing long-term leasehold agreement on the premises and the change in fair value of leasehold investment property due to passage of time and currency differences on leasehold investment property in Denmark and Sweden in 2021. The decrease is partly offset by two options assessed reasonably certain to exercise.

Cash and bank deposits decreased by NOK 32.1 million to NOK 214.7 million at the end of December 2021 from December 2020. The main changes in cash and bank deposits in 2021 relates to net borrowings drawn up amounting to NOK 275.1 million, net proceeds from the private placement of NOK 292.0 million and net cash outflow on acquisition of investment property and additions to freehold investment property.

In 2021, SSG refinanced all existing debt to Handelsbanken with a new bank facility loan with Handelsbanken and Danske Bank amounting to NOK 984 million. In addition, SSG has an revolving credit facility of NOK 245 million of which non is drawn as of 31 December 2021. Interest-bearing debt¹ amounts to NOK 944.3 million at the end of December 2021, an increase of NOK 271.1 million from December 2020. Loan to value¹ of freehold investment property is 39% as of end December 2021, compared to 46% at the end of December 2020. The loan facility has several covenants². As of 31 December 2021, the Group is not in breach of any of the covenants, and does not expect any breaches in the next 12 months.

At the end of December 2021 interest-bearing debt less cash was NOK -729.5 million. The interest-bearing debt is used for investments in freehold facilities, expansion of lettable area and development of the Group.

SSG invoices the customers in advance, which reduces credit risk and provides stable working capital. Other current liabilities consist mainly of prepaid income.

Total equity at the end of December 2021 was NOK 1 804 million, an increase of NOK 626.0 million from December 2020. The increase is attributable to the net proceeds from the private placement of NOK 292.0 million and the profit during the period. Lease liabilities at the end of December 2021 was NOK 468.7 million, a decrease of NOK 68.4 million compared to the end of December 2020. The decrease is mainly related to the acquisition of an existing leasehold agreement on the premises, lease payments due to passage of time and currency differences on lease liabilities in Denmark and Sweden. The decrease is partly offset by two options assessed reasonably certain to exercise. The equity ratio increased to 52% at the end of December 2021, from 46% at the end of December 2020.

Cash flow

SSG has strong cash flow as customers are invoiced in advance and costs are predictable and stable. Net cash flow from operating activities during Q4 2021 was NOK 48.3 million, compared to NOK 42.6 million during Q4 2020. The net cash flow from operating activities adjusted for non-cash items increased for the fourth quarter of 2021 compared to the fourth quarter of 2020 due to increase in operational profit, partly offset by timing differences for payments that give a lower net cash flow from operating activities. Net cash flow from operating activities for the year 2021 was NOK 174.3 million, compared to NOK 176.6 million for the year 2020. The decrease in net cash flow from operating activities adjusted for non-cash items for the year 2021 is mainly related to increase in prepaid expenses and timing differences for payments, partly offset by the increase in operational profit.

Net cash flow from investing activities during Q4 2021 was NOK -45.9 million compared to NOK -128.7 million during Q4 2020. Net cash flow from investing activities for the full year 2021 was NOK -685.3 million compared to NOK -263.8 million a year earlier. Payments for investment property includes acquisition of new properties, development of properties and additions to existing properties. Payments for property, plant and equipment consists mainly of new fit-out. Net cash outflow for acquisition of subsidiaries includes business acquisition and acquisition accounted for as an asset acquisition if completed in the quarter. These investing activities are in line with the Group's strategy.

Net cash flow from financing activities was NOK -139.2 million at the end of Q4 2021, compared to NOK 100.8 million at the end of Q4 2020. Net cash flow from financing activities for the year 2021 was NOK 479.8 million, compared to NOK 244.5 million a year earlier. In Q1 2021 SSG refinanced all existing debt to Handelsbanken

¹Non-GAAP measures are defined on page 33

²See note 8 for the Group's covenants

with a new bank facility loan with Handelsbanken and Danske Bank amounting to NOK 984 million and a revolving credit facility of NOK 245 million. In Q2 2021 SSG drew up NOK 100 million on the revolving credit facility. The revolving credit was repaid in Q4 2021 following the completion of a private placement of NOK 300 million in gross proceeds in Q3 2021.

Net cash flow from financial activities was affected by net borrowings drawn up amounting to NOK 275.1 million, net proceeds from the private placement of NOK 292.0 million and net payment of lease liabilities and payments of lease classified as interests amounted to NOK -61.8 million in the year 2021.

SSG's cash balance at the end of December 2021 was NOK 214.7 million.



Strategy

SSG engages in the business of renting out self-storage units to both private individuals and businesses. The Group is a leading provider of self-storage services with facilities in Norway, Sweden and Denmark. The business model of the Group is to operate self-storage facilities in Scandinavia with a strong focus on cost effective operations, competitive rent levels and industry leading customer service. In order to achieve this objective, the Group is constantly working hard in order to increase the level of automation in all parts of the value chain. The Group's vision is to be a leading and preferred self-storage provider to individuals and businesses.

The Group operates under two separate brands: OK Minilager and City Self-Storage. These two brands focus on different market segments and provide a strong platform for serving customers with different preferences and needs.

The Group offers self-storage solutions in all Scandinavian countries, with a primary focus on the major cities through City Self-Storage, and a nationwide presence in Norway through OK Minilager. All City Self-Storage facilities are climate controlled, while OK Minilager offers both climate controlled and container based storage facilities.

SSG aims to develop a business model that is sustainable with a low carbon footprint, and we believe it to be important that we engage in how we can make a difference for customers as well as for our employees. We are determined to include sustainability as an integrated part of our business. Even though our business model in general has a low carbon footprint, SSG still has potential related to sustainability, and we plan to continue the journey to achieve our potential.

The strategy is to develop the Group further and to expand the total lettable area by investing in new freehold facilities. The Group seeks to strengthen its nationwide presence in Norway while at the same time optimising existing facilities in the portfolio. The Group is also looking at growing its portfolio in the Swedish and Danish markets, both through development of new facilities and acquisition of established self-storage providers. Going forward, new facilities will primarily be established as freehold properties to ensure long-term access to attractive locations at a lower running cost. In identifying such properties, the Group will focus on factors such as location, capex and conversion time. Freehold investment properties are held in the 100% owned company OK Property AS, and leased to the operating companies in the Group.

Business concepts

The Group operates under both the OK Minilager and City Self-Storage brands and will continue to do so as the two concepts target different market segments.

OK Minilager

is a nationwide self-storage concept offered in the Norwegian market and the strategy is to continue to increase its presence in all major regions and communities in Norway. The planned expansion will mainly be composed of freehold properties, including a combination of purpose-built facilities and conversion of existing buildings. At the same time OK Minilager will have a strong focus on retaining its position as the most cost-effective player in the Norwegian market by continuously looking for innovative solutions to increase the customer experience and to increase operating efficiency.

City Self-Storage

is SSG's "urban concept", targeting the population in the major cities, currently serving Oslo, Stavanger, Trondheim, Stockholm, Copenhagen and the Jutland-area in Denmark. The strategy is to strengthen the market-leading position in the major cities in Norway by establishing more facilities at attractive locations. The group is also targeting growth within existing and new facilities in the Danish market, where City Self-Storage has a nationwide footprint following the acquisition of Dit Pulterkammer in April 2021. SSG currently has an opportunistic approach towards potential growth in Sweden. City Self-Storage will be opportunistic about potential mergers and acquisitions, both with regards to single facilities and other self-storage providers with a complementary portfolio of facilities. As with OK Minilager, the goal for City Self-Storage going forward is to increase the share of freehold facilities.

Competitive strengths

The Group is confident that it has multiple competitive strengths that separates SSG from other self-storage providers. These strengths have enabled the Group to achieve high historical growth and to establish a strong market position in all markets in which it operates. Through leveraging these competitive strengths, SSG expects to continue to grow and to confirm its position as one of Scandinavia's leading self-storage providers.

Market leading position

The Group is amongst the leading self-storage providers in Scandinavia with a particularly strong position in the Norwegian market. SSG has a high market share, both in the Greater Oslo area and on a country-wide basis. City Self-Storage and OK Minilager are on a stand-alone basis the two largest self-storage providers in the Norwegian market. This position has been built through careful planning and a dedicated focus on selecting the right type of facilities. SSG entered the Swedish and the Danish markets through the acquisition of City Self-Storage in 2016. With the acquisition of Eurobox in 2019 the leading position in the Norwegian market was solidified. Self Storage Group is the largest self-storage provider in Scandinavia and one of the largest operators in Europe measured by the total number of facilities. The group has a market leading position in Norway and a national footprint in Denmark. SSG is also a regional operator in the Stockholm area.

Strong platform for future growth

The combination of a countrywide presence in the "early stage" Norwegian market and a strong position in the more developed markets in Sweden and Denmark provides a strong foundation for future expansion and growth. The Group can act opportunistically with regards to setting up new facilities while leveraging its strong brand recognition, customer base and knowledge in the respective markets.

Industry leading customer service

Self-storage is increasingly becoming an online industry where the majority of the enquiries are channeled through websites and mobile apps. As more and more facilities are becoming self-served, customer service is becoming an even more important aspect of the customer journey. We consider it a significant competitive advantage to provide a seamless and well-integrated user experience by combining easy to use online booking systems with around-the-clock accessible customer service on multiple platforms. Self Storage Group was a pioneer in this area and has constantly innovated in order to improve the user experience. The company offers user-friendly online booking solutions and personal customer service across several formats such as phone, mail, chat and social media. This has been a contributing factor to why both OK Minilager and

City Self-Storage have established themselves amongst the leading self-storage providers in Scandinavia. However, the Company recognises that there is further upside by streamlining the two concepts even further, and in 2020 a new position as COO responsible for both brands and total operation across Scandinavia was created.

Track record of rapid and profitable growth

Both OK Minilager and City Self-Storage have displayed solid financial track records with increasing revenues and continuously improving EBITDA margins. The Group has an ambitious growth plan and the management team has demonstrated the ability to handle rapid growth without jeopardizing profitability. SSG has succeeded in attracting investors and raising capital, and is well positioned to execute its strategy.



Corporate developments

On 24 February 2021, SSG signed an agreement for a new bank facility loan with Handelsbanken and Danske Bank. The bank facility refinances the existing bank loans and gives the Company flexibility for future growth.

On 26 May 2021 the annual general meeting of Self Storage Group ASA was held. All proposals set out in the notice to the general meeting were approved. Steven Skaar (chairman), Gustav Søbak, Yvonne Litsheim Sandvold, Ingrid Elvira Leisner and Carl August Ameln were elected to the Board of Directors. Steven Skaar represents Alta Lux Holdco S.a.r.l, an entity managed by affiliates of Centerbridge Partners.

On 24 August 2021 the company issued 10 350 000 new shares at a price per share of NOK 29.0.

Acquisitions

Acquired properties ¹	Area	Transaction quarter	Total potential lettable area (m ²)	Transaction value (NOK million)	Closing quarter	Estimated opening quarter
Property in Stange Næringspark	Stange, Norway	Q1 2022	600	5.3	Q3 2022	Q1 2023
Nesseveien 2B	Harstad, Norway	Q1 2022	680	8.4	Q1 2022	Q3 2022
Property in Storebotn Næringspark	Askøy, Norway	Q4 2021	1 050	12.0	Q2 2022	Q4 2022
Molandsveien 339	Arendal, Norway	Q4 2021	850	7.1	Q3 2022	Q4 2022
Kartheia 5	Kristiansand	Q4 2021	550	4.3	Q1 2022	Q2 2022
Nordslettvegen 4 BC	Trondheim	Q4 2021	1 550	17.0	Q1 2022	Q3 2022
Sørliveien 84, neighboring section property	Halden, Norway	Q4 2021	1 400	8.0	Q1 2022	TBD
Deliveien 21	Vestby, Norway	Q4 2021	1 500	15.6	Q4 2022	Q1 2023
Property in Kampenesmosen ²	Sarpsborg, Norway	Q4 2021	-	4.6	Q1 2022	Q2 2023
Lundeveien 10	Vennesla, Norway	Q4 2021	800	6.2	Q1 2022	Q3 2022
Gardermovegen	Nannestad, Norway	Q4 2021	1 050	11.5	Q3 2022	Q3 2022
Knarvik ²	Alver, Norway	Q3 2021	-	4.0	Q1 2022	Q1 2022
Håvik E6 44	Narvik, Norway	Q3 2021	200	1.0	Q3 2021	Q1 2022
Billingstadsletta 91, neighbouring property	Asker, Norway	Q3 2021	3 150	32.8	Q3 2021	Q3 2022
Petroleumsveien 8, neighbouring property	Stavanger, Norway	Q2 2021	1 700	16.0	Q3 2021	Q2 2022
Verkstedveien 1	Mo i Rana, Norway	Q2 2021	850	7.7	Q4 2021	Q1 2022
Sørliveien 84, neighbouring section property	Halden, Norway	Q2 2021	500	3.8	Q4 2021	Q1 2022
Dit Pulterkammer, five properties	Jutland and Aarhus, Denmark	Q1 2021	11 600	139.0	Q2 2021	9 400 CLA in operation
General Birchs gate 16, existing leasehold agreement on the premises (Adamstuen)	Oslo, Norway	Q1 2021	8 100	250.0	Q1 2021	4 300 CLA in operation
Hovebakken 29	Sandnes, Norway	Q4 2020	1 300	18.0	Q1 2021	Q3 2021
Hensmoen 8	Hønefoss, Norway	Q3 2020	550	5.4	Q2 2021	Q3 2021
Håndverksveien 2	Langhus, Norway	Q3 2020	1 300	25.0	Q2 2021	Q3 2021
Total			30 300	514.2		

¹Properties with closing quarter in 2021 or later

²Acquisition of ground

Risks and uncertainty factors

SSG is exposed to risk and uncertainty factors, which may affect some or all of the Group's activities. SSG has financial risk, market risk, operational risk and risk related to the current and future products.

The Group has attractive financial terms on its loan, but is exposed to interest rate risk. In 2021 SSG entered into two five-year interest rate swaps to secure NOK 300 million and NOK 150 million of the interest-bearing debt with a fixed rate of 1.345% and 1.42%. In total the Group has interest rate swaps amounting to NOK 750 million. These agreements will reduce the risk of high volatility in future interest payments.

Since the end of 2020 there has been a strengthening in the exchange rate of NOK. In Denmark and Sweden both revenue and costs are in local currency, and purchases in EUR and GBP are mostly related to fit-out capitalized in the balance sheet. The table in note 5 the Annual Report for 2020 showing currency effects on the Groups profit if the exchange rate fluctuates is still valid.

With the exception of the above mentioned changes there are no significant changes in the risks and uncertainty factors compared to the descriptions in the Annual Report for 2020.

Outlook

Self Storage Group (SSG or the "Company") is a leading self-storage provider in Scandinavia with two strong brands and concepts; City Self-Storage and OK Minilager. As of 31 December 2021, the Group operates 128 facilities across Scandinavia with a total lettable area of 206 700 m² and current lettable area of 171 800 m².

There is a large untapped potential for our services in Scandinavia as urbanization and smaller living spaces lead to an increased need for external storage solutions. Self Storage Group has established a solid and scalable platform and is well positioned for future growth in a growing market.

SSG has a proven track-record of developing and operating a portfolio of self-storage facilities, leveraging on a lean and operationally-focused organization to achieve industry-leading margins. The Group has a strong pipeline with 34 900 m² of freehold lettable area under development. SSG also has a proven track record of growing through M&A.

SSG is focused on growing its freehold footprint, both by developing high-quality freehold facilities and opportunistically acquiring freehold properties where we have an existing leasehold interest.

Our strong balance sheet, coupled with additional borrowing capacity, gives the Company additional investment capacity in 2022 and beyond.

With the increasing size of the Group and freehold investment portfolio the Group has focus on planned maintenance, branding and organizational development to level up the scalable platform for future growth. During 2021, SSG made new key recruitments and expanded the management team with both a CTO and a CMO hire. The Group continues to make investments in its digital platforms to increase automation and customer satisfaction. The roll out of a new identity and communication strategy for both brands were initiated in Q4 2021, and will continue in 2022.

Self Storage Group is experiencing robust demand for its facilities and is increasing occupancy, adding new

capacity while at the same time achieving attractive rent levels. SSG has additional avenues for growth through already-acquired development opportunities and low-cost expansion within existing facilities. The Company developed 14 200 lettable m² during 2021, and is aiming to accelerate development growth in 2022 with a projected addition of 15 000+ lettable area.

SSG has built a unique and enduring market share position over the past three decades. With a solid financial position, a strong organization, and attractive assets, SSG is well positioned to leverage its scalable platform, setting the foundation for a great future.

Oslo, 14 February 2022
Board of Directors, Self Storage Group ASA

Financials

Self Storage Group Condensed consolidated statement of comprehensive income

(Amounts in NOK 1 000)

	Note	Unaudited For the three months ended 31 December 2021	Unaudited For the three months ended 31 December 2020	Unaudited For the year ended 31 December 2021	Audited For the year ended 31 December 2020
Revenue	3	90 638	75 924	346 075	293 348
Lease expenses	3,9	-3 886	-2 060	-13 250	-9 432
Property-related expenses	3	-14 671	-10 642	-44 414	-36 135
Salary and other employee benefits	3	-12 552	-10 266	-44 115	-40 209
Depreciation		-4 709	-3 728	-16 863	-14 476
Other operating expenses	3	-10 979	-8 491	-41 373	-32 138
Operating profit before fair value adjustments		43 841	40 737	186 060	160 958
Change in fair value of freehold investment property	6	302 459	83 364	319 996	92 929
Change in fair value of leasehold investment property	6,9	-12 105	-15 497	-46 356	-63 010
Operating profit after fair value adjustments		334 195	108 604	459 700	190 877
Finance income	10	10 372	2 093	36 273	2 603
Finance expense	8,9,10	-14 498	-16 779	-55 357	-47 659
Profit before tax		330 069	93 918	440 616	145 821
Income tax expense		-68 741	-23 331	-92 015	-32 853
Profit for the period		261 328	70 587	348 601	112 968
Total comprehensive income for the year attributable to parent company shareholders		261 328	70 587	348 601	112 968
Total comprehensive income for the year attributable to non-controlling interests		-	-	-	-
Earnings per share					
Basic (NOK)	4	2.76	0.84	3.96	1.34
Diluted (NOK)	4	2.76	0.84	3.96	1.34
Other comprehensive income, net of income tax					
Items that may be reclassified subsequently to profit or loss					
- currency translation difference		-7 315	9 813	-14 650	12 932
Other comprehensive income for the period, net of income tax		-7 315	9 813	-14 650	12 932
Total comprehensive income for the period		254 013	80 400	333 951	125 900
Total comprehensive income for the year attributable to parent company shareholders		254 013	80 400	333 951	125 900

Self Storage Group

Condensed consolidated statement of financial position

(Amounts in NOK 1 000)

		Unaudited	Audited
		31 December 2021	31 December 2020
ASSETS			
Non-current assets	Note		
Freehold investment property	6	2 422 368	1 456 522
Leasehold investment property	6,9	444 253	515 227
Property, plant and equipment	9	162 615	122 477
Goodwill		187 330	184 628
Financial instruments		14 160	-
Other intangible assets		1 220	1 626
Deferred tax assets		91	-
Total non-current assets		3 232 037	2 280 480
Current assets			
Inventories		1 857	1 611
Trade and other receivables		17 140	15 629
Financial instruments	6	-	24 750
Other current assets		25 668	13 162
Cash and bank deposits		214 746	246 804
Total current assets		259 411	301 956
TOTAL ASSETS		3 491 448	2 582 436
EQUITY AND LIABILITIES			
Equity			
Issued share capital	7	9 467	8 432
Share premium		1 082 657	791 594
Currency translation reserve		-1 811	12 839
Retained earnings		713 601	365 000
Total equity		1 803 914	1 177 865
LIABILITIES			
Non-current liabilities			
Non-current interest-bearing debt	8	892 626	519 429
Non-current lease liabilities	8,9	422 479	487 887
Other financial liabilities		320	2 018
Deferred tax liabilities		196 745	114 624
Total non-current liabilities		1 512 170	1 123 958
Current liabilities			
Current interest-bearing debt	8	51 644	153 699
Current lease liabilities	8,9	46 192	49 216
Trade and other payables		12 804	15 777
Income tax payable		10 478	11 994
Other taxes and withholdings		6 713	5 862
Other current liabilities		47 533	44 065
Total current liabilities		175 364	280 613
Total liabilities		1 687 534	1 404 571
TOTAL EQUITY AND LIABILITIES		3 491 448	2 582 436

Self Storage Group

Condensed consolidated statement of Changes in Equity

(Amounts in NOK 1 000)

	Issued Share capital	Share premium	Currency translation reserve	Retained earnings	Total equity
Balance at 1 January 2020	8 261	744 853	- 93	252 032	1 005 053
Profit (loss) for the period	-	-	-	112 968	112 968
Other comprehensive income (loss) for the period net of income tax	-	-	12 932	-	12 932
Total comprehensive income for the period	-	-	12 932	112 968	125 900
Issue of ordinary shares, net of transaction costs	171	46 741	-	-	46 912
Balance at 31 December 2020	8 432	791 594	12 839	365 000	1 177 865

Balance at 1 January 2021	8 432	791 594	12 839	365 000	1 177 865
Profit (loss) for the period	-	-	-	348 601	348 601
Other comprehensive income (loss) for the period net of income tax	-	-	- 14 650	-	- 14 650
Total comprehensive income for the period	-	-	- 14 650	348 601	333 951
Issue of ordinary shares, net of transaction costs	1 035	291 063	-	-	292 098
Balance at 31 December 2021 (Unaudited)	9 467	1 082 657	- 1 811	713 601	1 803 914

Self Storage Group

Condensed consolidated statement of Cash flows

(Amounts in NOK 1 000)	Note	Unaudited For the three months ended 31 December 2021	Unaudited For the three months ended 31 December 2020	Unaudited For the year ended 31 December 2021	Audited For the year ended 31 December 2020
Cash flow from operating activities					
Profit before tax		330 069	93 918	440 616	145 821
Income tax paid		- 73	-	- 14 330	- 7 460
Net expensed interest and fees on borrowings and leases*		12 567	6 000	37 468	29 987
Depreciation		4 709	3 728	16 863	14 476
Gain/loss on disposal of property, plant and equipment		- 135	-	- 177	- 208
Unrealised gain/loss in foreign currency	10	- 2 783	12 829	- 9 745	12 842
Change in fair value of financial instruments	10	- 3 741	- 4 102	- 16 178	1 564
Change in fair value of freehold investment property	6	- 302 459	- 83 364	- 319 996	- 92 929
Change in fair value of leasehold investment property	6,9	12 105	15 497	46 356	63 010
Change in trade and other receivables		220	112	- 1 418	299
Change in trade and other payables		- 10 214	- 5 633	- 3 974	8 462
Change in other current assets		4 394	1 299	- 3 614	- 1 335
Change in other current liabilities		3 593	2 309	2 438	2 029
Net cash flow from operating activities		48 252	42 593	174 309	176 558
Cash flow from investing activities					
Payments for freehold investment property		- 25 980	- 100 685	- 174 836	- 164 523
Payments for property, plant and equipment		- 12 943	- 6 385	- 47 332	- 23 300
Proceeds from disposal of property, plant and equipment		461	-	684	251
Net cash outflow on acquisition of subsidiaries		- 7 479	- 21 629	- 463 862	- 76 202
Net cash flow from investing activities		- 45 941	- 128 699	- 685 346	- 263 774
Cash flow from financing activities					
Net proceeds from issue of equity instruments	6	-	-	291 999	-
Proceeds from borrowings	8	-	130 000	1 084 268	441 000
Repayment of borrowings	8	- 117 168	- 8 378	- 809 162	- 110 158
Interest paid*	8,10	- 7 173	- 2 433	- 25 444	- 10 572
Payments of lease liabilities	8,9	- 10 847	- 13 242	- 43 296	- 55 069
Payments of interest on lease liabilities	8,9,10	- 4 032	- 5 157	- 18 527	- 20 666
Net cash flow from financing activities		- 139 220	100 790	479 838	244 535
Net change in cash and cash equivalents		- 136 909	14 684	- 31 199	157 319
Cash and cash equivalents at beginning of the period		351 970	232 539	246 804	88 117
Effect of foreign currency rate changes on cash and cash equivalents		- 315	- 419	- 859	1 368
Cash and equivalents at end of the period		214 746	246 804	214 746	246 804

* Interest paid of NOK 25.4 million for the full year 2021 includes NOK 4.6 million in repayment of interest rate swap for the three first quarters of the year. The repayments were presented under Net cash flow from operating activities in the respective quarterly reports but are included in Net cash flow from financing activities for the full year in the quarterly report for the fourth quarter. The statement of cash flows for the three first quarters of 2021 are not restated.

Note 1 Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. The condensed consolidated financial statements have been prepared on the historical cost basis except for investment property, which is measured at fair value with gains and losses recognised in profit or loss. The interim financial statements were approved by the Board of Directors on 14 February 2022.

Note 2 Significant accounting policies

The same accounting policies, presentation and methods of computation have been followed in these condensed financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2020. The Group has not early adopted any standard, interpretation or amendment with effective date after 1 January 2021. There are no new standards or amendments in short term perspective which have been issued, but are not yet effective, that are considered to have an impact on the Group. The Group intends to adopt these standards, if applicable, when they become effective. The interim financial statements are unaudited.

The Group assesses indicators of impairment of property, plant and equipment, right to use assets, intangible assets and financial investments continuously. As of 31 December 2021 no indicators of impairment are identified.

Note 3 Segment information

(Amounts in NOK 1 000)

Management has determined the operating segments based on reports reviewed by the CEO and management team and Board of Directors, which are used to make strategic and resource allocation decisions. The Group reports management information based on the two concepts offered by the Group, City Self-Storage (CSS) and OK Minilager (OKM), in addition to the Group's property business in the Property segment and Self Storage Group ASA (SSG ASA) in separate segments. Other/elimination includes eliminations of intercompany transactions and the remainder of the Group's activities not attributable to the other operating segments. In the tables below, reconciliation from EBITDA to Profit before tax is presented on an aggregated level. The Group reports management information excluding IFRS 16 impacts.

The operating entity from the Eurobox acquisition is reported as part of the CSS segment and the three property entities are reported as part of the Property segment.

The total of Sales income and Other income in the segment reporting corresponds with the line item Revenue as recognised under IFRS.

The Group's reportable segments are as follows:

OK Minilager (OKM)	Nationwide presence in Norway offering climate controlled storage units and container based storage.
City Self-Storage (CSS)	Climate controlled facilities in all Scandinavian countries, with a primary focus on the capital cities of Oslo, Stockholm and Copenhagen.
Property	The ownership and development of property. Internal lease agreements with the operating companies in the group, in addition to external lease agreements. The internal income and expenses are eliminated on Group level.
SSG ASA	SSG ASA includes administration and management activities.
Other/eliminations	Elimination and the remainder of the Group's activities not attributable to the operating segments described above.

For the three months ended 31 December 2021	CSS	OKM	Property	SSG ASA	Other/eliminations	IFRS 16	Total
Rental income from self-storage services	60 119	23 765	-	-	-	-	83 884
Other income	5 399	232	23 681	-	- 22 558	-	6 754
Lease expenses	- 31 450	- 9 751	-	- 328	22 558	15 085	- 3 886
Other operating costs	- 24 806	- 6 831	- 5 197	- 1 429	-	61	- 38 202
EBITDA	9 262	7 415	18 484	- 1 757	-	15 146	48 550
Reconciliation to profit before tax as reported under IFRS							
Depreciation							- 4 709
Change in fair value of freehold investment property							302 459
Change in fair value of leasehold investment property							- 12 105
Finance income							10 372
Finance expense							- 14 498
Profit before tax							330 069

For the three months ended 31 December 2020	CSS	OKM	Property	SSG ASA	Other/ eliminations	IFRS 16	Total
Rental income from self-storage services	50 371	20 441	-	-	-	-	70 812
Other income	3 433	311	16 950	-	- 15 582	-	5 112
Lease expenses	- 27 446	- 8 876	- 7	- 324	15 582	19 011	- 2 060
Other operating costs	- 19 487	- 5 065	- 4 699	- 208	-	60	- 29 399
EBITDA	6 871	6 811	12 244	- 532	-	19 071	44 465
Reconciliation to profit before tax as reported under IFRS							
Depreciation							- 3 728
Change in fair value of freehold investment property							83 364
Change in fair value of leasehold investment property							- 15 497
Finance income							2 093
Finance expense							- 16 779
Profit before tax							93 918

For the year ended 31 December 2021	CSS	OKM	Property	SSG ASA	Other/ eliminations	IFRS 16	Total
Rental income from self-storage services	229 326	90 918	-	-	-	-	320 244
Other income	19 326	1 079	85 671	507	- 80 752	-	25 831
Lease expenses	- 116 700	- 39 555	-	- 1 320	80 752	63 573	- 13 250
Other operating costs	- 86 653	- 22 262	- 16 951	- 4 279	-	243	- 129 902
EBITDA	45 299	30 180	68 720	- 5 092	-	63 816	202 923
Reconciliation to profit before tax as reported under IFRS							
Depreciation							- 16 863
Change in fair value of freehold investment property							319 996
Change in fair value of leasehold investment property							- 46 356
Finance income							36 273
Finance expense							- 55 357
Profit before tax							440 616

For the year ended 31 December 2020	CSS	OKM	Property	SSG ASA	Other/ eliminations	IFRS 16	Total
Rental income from self-storage services	193 799	78 676	-	-	-	-	272 475
Other income	13 649	2 326	64 511	85	- 59 698	-	20 873
Lease expenses	- 105 654	- 35 493	- 7	- 1 227	58 283	74 666	- 9 432
Other operating costs	- 70 495	- 20 961	- 16 154	- 2 509	1 415	222	- 108 482
EBITDA	31 299	24 548	48 350	- 3 651	-	74 888	175 434
Reconciliation to profit before tax as reported under IFRS							
Depreciation							- 14 476
Change in fair value of freehold investment property							92 929
Change in fair value of leasehold investment property							- 63 010
Finance income							2 603
Finance expense							- 47 659
Profit before tax							145 821

Note 4 Earnings per share

(Amounts in NOK)

	For the three months ended 31 December 2021	For the three months ended 31 December 2020	For the full year 2021	For the full year 2020
Profit (loss) for the period	261 328 000	70 587 000	348 601 000	112 968 000
Weighted average number of outstanding shares during the period (basic)	94 678 584	84 328 584	87 986 529	84 127 523
Weighted average number of outstanding shares during the period (diluted)	94 678 584	84 328 584	87 986 529	84 127 523
Earnings (loss) per share - basic in NOK	2.76	0.84	3.96	1.34
Earnings (loss) per share - diluted in NOK	2.76	0.84	3.96	1.34

See also note 7

Note 5 Business combinations

(Amounts in NOK 1 000)

On 14 April 2021, SSG acquired 100% of the shares in Dit Pulterkammer Holding A/S, a Danish regional self-storage operator with five strategically located facilities in the Jutland region and Aarhus area and a current lettable area of approximately 9 400 m². The transaction has an enterprise value of DKK 102 million (approx. NOK 139 million) and was financed with SSG's existing bank facility.

Acquisition of Dit Pulterkammer

	Main business activity	Date of business combination	Proportion of voting equity acquired	Acquiring entity
Dit Pulterkammer Holding A/S	Self-storage solutions	14 April 2021	100 %	City Self-Storage A/S (Denmark)

Dit Pulterkammer Holding A/S is the parent company of Dit Pulterkammer A/S. The Company was acquired with the purpose of continuing the expansion of the group's activities and to build a national footprint in Denmark. Dit Pulterkammer (DPK) will be reported as part of the CSS segment.

Consideration

	Dit Pulterkammer
Cash	37 456
Total consideration	37 456

The cash consideration is adjusted for changes in work in capital. Subsequent to the acquisition all interest-bearing liabilities were settled with cash, amounting to NOK 96.0 million.

Assets and liabilities assumed in connection with the business combination of DPK have been recognised at their estimated fair value on the completion of the business combination. Freehold investment property is recorded to fair value based on valuation from an external real estate appraiser. Surplus value is identified related to fit-out, and the fair value is based on management's best estimate. No other adjustments to the carrying values of assets and liabilities have been identified. The purchase price allocation is preliminary and may be subject to change in the measurement period, which is one year from the date of the acquisition.

Identifiable assets and liabilities recognised on the date of the business combination

	Carrying amount 14 April 2021	Fair value adjustments	Fair value 14 April 2021
Freehold investment property*	128 348	-	128 348
Fit-out and property, plant and equipment	3 876	5 572	9 448
Trade receivables	1 006	-	1 006
Software	1 811	- 1 811	0
Cash and cash equivalents	16	-	16
Deferred tax liability	- 2 275	- 828	- 3 103
Interest-bearing liabilities	- 96 045	-	- 96 045
Trade payables	- 495	-	- 495
Tax payable	- 129	-	- 129
Other current liabilities	- 3 950	-	- 3 950
Net assets	32 163	2 934	35 097

*DPK has historically reported under Danish GAAP with investment property recorded at historical cost less accumulated depreciation and amortization. As part of transition to IFRS investment property is recorded to fair value in accordance with IAS 40

Goodwill

	Dit Pulterkammer
Consideration	37 456
Fair value of identifiable net assets acquired	- 35 097
Goodwill	2 359

Goodwill originating from the business combination is related to the fair value of the five properties in operation, and the value stems from the synergies of the net assets of the business, as well as from other benefits, such as the ability to earn monopoly profits and barriers to market entry. No impairment has been recognised subsequent to the business combination.

Goodwill that has arisen as part of the business acquisition is not tax deductible.

Effect on Group results

The acquired companies do not impact consolidated revenue and profit before acquisition date 14 April 2021.

The revenue and net profit for the full year 2021 are estimated to be approximately NOK 21.6 million and NOK 5.1 million respectively, if the Company had acquired DPK with effect from 1 January 2021. EBITDA for the full year 2021 is estimated to NOK 12.0 million. Estimated consolidated figures for the year 2021 are according to Danish GAAP.

Transaction costs related to the acquisition are recorded in 2021 and amounted to NOK 3.1 million.

Note 6 Investment property

(Amounts in NOK 1 000)

During the full year 2021, the following changes have occurred in the Group's portfolio of investment properties:

	Leasehold investment property	Freehold investment property	Total
Balance as at 31 December 2020	515 227	1 456 522	1 971 749
Value adjustment due to passage of time	- 46 356	-	-46 356
Additions and disposals leasehold investment property in the year	- 14 795	-	-14 795
Asset acquisition in Property segment	-	35 493	35 493
Business combinations (see note 5)	-	128 348	128 348
Company acquired as asset acquisition	-	345 701	345 701
Additions to existing properties	-	139 343	139 343
Fair value adjustments recognised in profit or loss	-	319 996	319 996
Other/translation differences	- 9 823	- 3 035	-12 858
Balance as at 31 December 2021	444 253	2 422 368	2 866 621

Investment property is measured at fair value. Gains and losses arising from a change in the fair value of investment property are included in profit or loss in the period in which they arise. The Company's valuation process is based on valuations performed by an independent external party, supplemented by internal analysis and assessments. The valuations are reviewed on a quarterly basis.

Properties are valued by discounting future cash flows. Both contractual and expected future cash flows are included in the calculations. Fair value assessments depend largely on assumptions related to market rent, discount rates and inflation. Market rent is based on individual assessments for each property.

All freehold properties were appraised during the fourth quarter. In addition to the impact of annual CPI-adjustment of internal leases, the increase is related to yield compression in the market and development properties completed in 2021.

In July 2021, one property was acquired by executing the option from the Eurobox transaction to acquire a neighboring building at Billingstad.

Note 7 Share capital and shareholders

(Amounts in NOK)

	Date	Number of shares issued	Total number of shares	Total share capital	Value per share
Ordinary shares at 31 December 2020			84 328 584	8 432 858	0.10
Issue of ordinary shares from cash contribution	24.08.2021	10 350 000	94 678 584	9 482 858	0.10
Ordinary shares at 31 December 2021			94 678 584	9 482 858	0.10

At the General Meeting in 2021 the Board of Directors was authorized to increase the share capital with up to NOK 4 216 429.20 through one or several share capital increases. The authorisation may be used to provide the Company with financial flexibility, including in connection with investments, merger and acquisitions. The Board's authorisation is valid until the Annual General Meeting in 2022. The remaining amount of the authorisation to increase the share capital is NOK 3 181 429.20 as of 31 December 2021.

List of main shareholders at 31 December 2021

	Shareholder	Country	Number of shares	Ownership %
1	UBS Switzerland AG ¹	Switzerland	24 557 078	25.9%
2	Fabian Holding AS ²	Norway	9 565 000	10.1%
3	GSS Invest AS ³	Norway	6 565 000	6.9%
4	VERDIPAPIRFONDET ODIN EIENDOM	Norway	6 348 113	6.7%
5	J.P. MORGAN BANK LUXEMBOURG S.A.	Luxembourg	4 581 795	4.8%
6	J.P. Morgan Securities LLC	United States	4 123 214	4.4%
7	SKAGEN M2 VERDIPAPIRFOND	Norway	3 655 790	3.9%
8	FIRST RISK CAPITAL AS ⁴	Norway	2 600 000	2.7%
9	HSBC Bank Plc	United Kingdom	2 488 255	2.6%
10	SOLE ACTIVE AS	Norway	2 402 048	2.5%
11	BNP Paribas Securities Services	France	2 282 143	2.4%
12	Danske Invest Norge Vekst	Norway	1 843 253	1.9%
13	VERDIPAPIRFONDET HOLBERG NORGE	Norway	1 700 000	1.8%
14	BNP Paribas Securities Services	France	1 459 000	1.5%
15	RBC INVESTOR SERVICES TRUST	Ireland	1 386 183	1.5%
16	MUSTAD INDUSTRIER AS	Norway	1 249 064	1.3%
17	Citibank, N.A.	Ireland	1 159 303	1.2%
18	J.P. MORGAN BANK LUXEMBOURG S.A.	Luxembourg	1 090 000	1.2%
19	Brown Brothers Harriman & Co.	United States	1 016 072	1.1%
20	State Street Bank and Trust Comp	United States	946 470	1.0%
	Other		13 660 803	14.4%
	Sum		94 678 584	100.0%

¹UBS Switzerland AG is a nominee account for Alta Lux Holdco S.a.r.l./Centerbridge Partners

²Fabian Holding AS is owned by CEO Fabian Søbak

³GSS Invest AS is owned by board member Gustav Søbak

⁴First Risk Capital AS is controlled by board member Carl August Ameln

Duo Jag AS, which is partly owned by board member Ingrid Leisner, owns 10 390 shares in Self Storage Group ASA

CFO Cecilie Brænd Hekneby and close relatives own 688 843 shares in Self Storage Group ASA

COO Sveinung Høyer-Trollnes owns 17 123 shares in Self Storage Group ASA

Property Manager Lars Moen owns 13 500 shares in Self Storage Group ASA

Note 8 Interest bearing liabilities

(Amounts in NOK 1 000)

Interest bearing liabilities are carried at amortized cost. The carrying amounts approximate fair value as at 31 December 2021.

As at 31 December 2021	Amounts due in		Total
	less than 1 year	1-5 years	
Debt to financial institutions (NOK, Handelsbanken)	51 644	892 626	944 270
Changes in liabilities arising from financing activities	Interest bearing borrowings	Lease liabilities	Total financing activities
Balance as at 31 December 2020	673 128	537 103	1 210 231
Additions and disposals of leasehold investment property in the year	-	-14 795	-14 795
Additions and disposals of other leases in the year	-	65	65
Repayments of borrowings/Payments of lease	-809 162	-43 296	-852 458
Proceeds from borrowings	1 084 268	-	1 084 268
Interests expenses of borrowings	21 480	-	21 480
Interests paid of borrowings	-25 444	-	-25 444
Other/translation differences	-	-10 406	-10 406
Balance as at 31 December 2021	944 270	468 671	1 412 941

On 24 February 2021, SSG signed an agreement for a new bank facility loan with Handelsbanken and Danske Bank for refinancing of all existing debt to Handelsbanken and general corporate purposes. The agreement amounts to NOK 985 million in term loan and NOK 245 million in revolving credit facility, both with maturity 3+1+1 years, and interest rate is 3 months Nibor + 1.70%.

All covenants for the new bank facility loan are to be measured and reported on a quarterly basis. There are both financial and non-financial covenants. As of 31 December 2021, the Group is in compliance with all loan covenants, and also expects to comply with covenants throughout 2022.

The financial covenants for the new bank facility loan are:

- The loan to value (interest-bearing debt over market value freehold investment properties) must not exceed 60%
- The Group's nominal equity must exceed NOK 800 million
- Debt service cover ratio (EBITDA over amortization and interest) must be higher or equal to 1.2
- The Group's booked solidity must be above 35%

In the year 2021 SSG entered into two additional five-year interest rate swaps. There are no margin calls related to the interest rate swaps.

Fixed interest rate agreements	Amount	Maturity date	Interest rate (%)
Handelsbanken	150 000	Mar-25	1.080
Handelsbanken	150 000	Apr-25	0.785
Handelsbanken	300 000	Mar-26	1.345
Handelsbanken	150 000	Mar-26	1.420

Interest rate swaps are recorded at fair value through profit and loss. A gain of NOK 3.7 million for Q4 2021 and NOK 16.2 million for the year 2021 related to hedging of interests is included in finance.

Note 9 Leases

The Group as a lessee leases certain leasehold properties that are classified as leasehold investment property. These leases have lease terms between 3 months and 20 years. The Group applies the short-term lease recognition exemptions for leases with lease terms below one year. All leased properties classified as leasehold investment property are used to provide self-storage services to customers throughout Norway, Sweden and Denmark.

The Group has one lease contract for use of office space, with a lease term of five years. The Group has the option to lease the asset for an additional term of three years. The lease is classified as property, plant and equipment. Property, plant and equipment also include leased trailers and containers with average lease terms of three years. The Group's lease liabilities are secured by the lessors' title to the leased assets.

(Amounts in NOK 1 000)

Changes in recognised leases during the period:	Lease liabilities	Leased assets	
		Leasehold investment property	Other leases
Balance as at 31 December 2020	537 103	515 227	5 303
Additions and disposals of leases for leasehold investment property in the year	-14 795	-14 795	-1 016
Additions and disposals of other leases in the year	65	-	-
Payments of lease	-43 296	-	-
Change in fair value of leasehold investment properties	-	-46 356	-
Depreciation	-	-	-1 231
Other/translation differences	-10 406	-9 823	-
Balance as at 31 December 2021	468 671	444 253	3 056

Amounts related to leases recognised in profit or loss:	For the three months ended 31 December 2021	For the full year 2021
Expenses relating to short-term leases (included in lease expenses)	-3 886	-13 250
Change in fair value of leasehold properties	-12 105	-46 356
Depreciation expense of leased assets classified as property, plant and equipment	- 308	-1 231
Interest expense on lease liabilities (included in finance expenses)	-4 032	-18 527
Total amount recognised in profit or loss	-20 331	-79 364

The Group experienced limited business impact from COVID-19 in 2021 and has no indications of impairment on leased assets due to COVID-19 or other incidents. The Group had not received any rent reductions on leased properties due to COVID-19 in 2021.

In January 2021 an agreement to acquire the leasehold property at Adamstuen in Oslo was made and the purchase agreement was included in the value of leasehold investment property. On 1 March 2021 the agreement was completed.

Total cash outflows for leases was NOK 75.1 million in 2021.

The Group has certain lease contracts related to leasehold investment property that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgment in determining whether these extension options are reasonably certain to be exercised (see note 4 in the Annual Report for 2020). Options to extend reasonably certain to commit to, but not started, amounts to NOK 148.9 million as of 31 December 2021, with periods ranging between one and ten years. Options to extend, not reasonably certain to commit to, amounts to NOK 36.8 million as of 31 December 2021, with periods ranging between one and ten years.

Two options to extend reasonably certain to commit to, but not started, are included in the balance sheet in 2021 as they during 2021 are assessed reasonably certain to be exercised.

The Group has not committed to any additional future leases as of 31 December 2021.

Note 10 Net financial items

(Amounts in NOK 1 000)

A breakdown of net financial items in the income statement is presented below:

	For the three months ended 31 December 2021	For the three months ended 31 December 2020	For the full year 2021	For the full year 2020
Interest income and other financial income	692	1 118	1 013	1 493
Realised gain from transactions in foreign currency	47	44	138	152
Unrealised gain in foreign currency	5 892	896	18 944	923
Positive change in fair value of financial instruments*	3 741	35	16 178	35
Total financial income	10 372	2 093	36 273	2 603
Interest expense on borrowings**	-6 468	-1 636	-21 480	-8 920
Interest expense on lease liabilities	-4 032	-5 157	-18 527	-20 666
Other interests, fees and charges**	- 761	- 948	-5 674	-2 448
Realised loss from transactions in foreign currency	- 127	620	- 477	- 261
Unrealised loss in foreign currency	-3 110	-13 725	-9 199	-13 765
Negative change in fair value of financial instruments*	-	4 067	-	-1 599
Total financial expenses	-14 498	-16 779	-55 357	-47 659
Net financial items	-4 126	-14 686	-19 084	-45 056

* Change in fair value of interest rate swaps

** Interest expense on borrowings of NOK 21.5 million for the full year 2021 includes NOK 4.6 million in expense on interest rate swap for the three first quarters of the year. The expense was presented under Other interests, fees and charges in the respective quarterly reports but is included in Interest expense on borrowings for the full year in the quarterly report for the fourth quarter. The disclosure for the three first quarters of 2021 are not restated.

Unrealised gain and loss in foreign currency is related to lease liabilities in SEK and DKK, and intercompany loans in SEK and DKK. 33% of the lease liabilities as of December 2021 are in SEK or DKK.

Note 11 Subsequent events

- On 1 January 2022, the acquisition of a neighboring section party in Sørliveien in Halden, Norway, with an estimated lettable area of 1 400 m² was successfully completed
- On 3 January 2022, the acquisition of a property in Nordslettvegen in Trondheim, Norway, with an estimated lettable area of 1 550 m² was successfully completed
- On 7 January 2022, the acquisition of a property in Kartheia in Kristiansand, Norway, with an estimated lettable area of 550 m² was successfully completed
- On 4 February 2022, an agreement to acquire a property in Stange Næringspark in Stange, Norway, was entered into. The property has an estimated lettable area of 600 m²
- On 8 February 2022, the acquisition of a property in Nesseveien in Harstad, Norway, with an estimated lettable area of 680 m² was successfully completed

Alternative performance measures (APMs)

Self Storage Group's financial information is prepared in accordance with international financial reporting standards (IFRS). In addition, management provides alternative performance measures that are regularly reviewed by management to permit for a more complete and comprehensive analysis of the Group's operating performance relative to other companies and across periods in addition to the financial information prepared in accordance with IFRS. Companies comparable to the Group vary with regards to, inter alia, capital structure and mix of leasehold and freehold properties. Non-IFRS financial measures, such as EBITDA, can assist the Company and investors in comparing performance on a more consistent basis without regard to factors such as depreciation and amortization, which can vary significantly depending upon accounting methods, mix of freehold and leasehold properties or based on non-operating factors. Also, some of the non-IFRS financial measures presented herein adjust for one-time costs or costs that are not considered to be a part of regular operations.

The non-IFRS financial measures presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and investors should not consider any such measures to be an alternative to: (a) operating revenues or operating profit (as determined in accordance with generally accepted accounting principles), as a measure of the Group's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The non-IFRS financial measures presented herein may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results. The non-IFRS financial measures may be presented on a basis that is different from other companies.

Operating profit before fair value adjustments

Presenting operating profit before fair value adjustments is useful to Self Storage Group as it provides a measure of profit before taking into account the movement in fair value of freehold investment property and leasehold investment property and is useful to the Group for assessing operating performance.

Adjustments

Identified costs not likely to occur in the normal course of business in Self Storage Group are defined as non-recurring costs. Examples of non-recurring costs are acquisition costs, restructuring and severance packages. The exclusion of non-recurring costs is useful to Self Storage Group as it provides a measure for assessing underlying operating performance.

Definition of SSG's financial APMs

- Interest bearing debt: Defined as non-current interest-bearing debt plus current interest-bearing debt. The figure does not include lease liabilities
- Loan to value: Interest bearing debt / freehold investment property
- Total other operating expenses: property-related expenses + salary and other employee benefits + other operating expenses
- EBIT: Operating profit before fair value adjustments
- Adjusted EBIT: EBIT +/- identified items to be excluded from adjusted EBIT as described below
- EBITDA: EBIT + depreciation, amortization and impairments
- Adjusted EBITDA: EBITDA +/- identified items to be excluded from adjusted EBITDA as described below
- Adjusted Profit before tax: Adjusted EBIT +/- change in fair value of investment properties and leasehold properties +/- net finance
- Adjusted tax: Tax expense +/- tax on adjustments
- Adjusted Net Profit : Adjusted Profit before tax +/- tax expense

SSG's non-financial APMs

- Current lettable area (CLA): Net area (m²) available for customers to rent for self-storage
- Total lettable area: Net area (m²) in the portfolio included area not yet lettable to self-storage

Reconciliation of APMs used in the Interim Report

(Amounts in NOK 1 000)

	31 December 2021	31 December 2020
Interest-bearing debt		
Non-current interest-bearing debt	892 626	519 429
Current interest-bearing debt	51 644	153 699
Total interest-bearing debt	944 270	673 128

(Amounts in NOK 1 000)

	Q4 2021	Q4 2020	Full year 2021	Full year 2020
Property-related expenses	-14 671	-10 642	-44 414	-36 135
Salary and other employee benefits	-12 552	-10 266	-44 115	-40 209
Other operating expenses	-10 979	-8 491	-41 373	-32 138
Total other operating expenses	-38 202	-29 399	-129 902	-108 482
Operating profit before fair value adjustments	43 841	40 737	186 060	160 958
EBIT	43 841	40 737	186 060	160 958
Total adjustments	-	254	3 416	1 715
Adjusted EBIT	43 841	40 991	189 476	162 673
Change in fair value of freehold investment property	302 459	83 364	319 996	92 929
Change in fair value of leasehold investment property	-12 105	-15 497	-46 356	-63 010
Adjusted Profit before tax	330 069	94 172	444 032	147 536
Adjusted tax	-68 741	-23 394	-92 728	-33 239
Adjusted Net profit	261 328	70 778	351 304	114 297
Operating profit before fair value adjustments	43 841	40 737	186 060	160 958
Depreciation	-4 709	-3 728	-16 863	-14 476
EBITDA	48 550	44 465	202 923	175 434
Total adjustments	-	254	3 416	1 715
Adjusted EBITDA	48 550	44 719	206 339	177 149
Adjustments				
Revenue: release of historical liability	-	-	507	-
Other operating expenses: acquisition costs	-	- 254	-3 923	-1 177
Salary and other employee benefits: severance packages	-	-	-	- 538
Total adjustments	-	- 254	-3 416	-1 715